

Message Text

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ACTION FSE-00

INFO OCT-01 AF-06 ISO-00 ABF-01 TRSE-00 PER-03 /011 W

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R 041510Z NOV 75

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 7761

USOFFICE RFC PARIS

INF AMEMBASSY LAGOS

UNCLAS COTONOU 1669

LAGOS FOR RBFO

EO 11652: NA

TAGS: AFIN, DM

SUBJ: CASHING OF RFC CHECKS

1. EMBASSY HAS RECENTLY BEGUN EXPERIENCING DIFFICULTY CASHING CFA CHECKS ISSUED BY RFC PARIS AND DRAWN ON USG ACCOUNT WITH BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE PARIS (BIAO). PROBLEM FOLLOWS ON NATIONALIZATION IN JUNE 75 OF BIAO AS WELL AS OTHER BANKS IN DAHOMEY, AND ESTABLISHMENT OF A SINGLE STATE-RUN BANK, SOCIETE DAHOMEENNE DE BANQUE (SDB). FOR FIRST TIME ABOUT THREE WEEKS AGO, SDB REFUSED TO CASH EMBASSY'S CHECKS AGAINST BIAO. SITUATION WAS TEMPORARILY RESOLVED FOLLOWING EMBOFF CALL ON BANK OFFICIAL. HOWEVER, ON OCT 27 THE SDB AGAIN REFUSED TO ACCEPT USG CHECKS AGAINST BIAO. DCM CALLED ON SDB DIRGEN BRUNO AMOUSSOU WHO, HAVING FIRST STATED THAT THE SDB WAS DOING THE USG A FAVOR BY CASHING ITS CHECKS, FINALLY AGREED TO CONTINUE ACCEPTING THEM, BUT ONLY IF EMBASSY PAID UNSPECIFIED COMMISSION ON THE TRANSACTIONS. ACCORDING TO THE DIRGEN, COMMISSION IS REQUIRED TO OFFSET THE ONE CHARGED SDB BY BIAO FOR PROCESSING USG CHECKS. DIRGEN WAS UNABLE INDICATE THE RATE OF COMMISSION THAT WOULD BE CHARGED. (HAPPILY, THROUGH SOME ERROR THE SDB FAILED TO LEVY A COMMISSION CHARGE ON THE CHECKS WE CASHED THERE ON OCT 30.)

2. PAYMENT OF COMMISSIONS WOULD CREATE FOLLOWING HARSHIPS FOR EMBASSY:

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A. REDUCE OUR OPERATING BUDGET, WHICH IS ALREADY BEING
PARED TO MINIMUM BY FAILURE TO RECEIVE FULL ALLOTMENT RE-
QUESTED IN OUR BUDGET SUBMISSION.

B. DECREASE RATE OF ACCOMODATION EXCHANGE TO AMERICAN EM-
PLOYEES.

C. DECREASE EFFECTIVE COMPENSATION TO FSLs WHO ARE PAID BY
RFC CHECKS.

3. UNTIL THIS MATTER CAN BE SETTLED, EMBASSY WILL ABSORB
COMMISSION CHARGES, INCLUDING THOSE OMPOSED ON FSL SALARY
CHECKS.

4. EMBASSY SEES THREE POSSIBLE SOLUTIONS TO PROBLEM:

A. PERSUADE BIAO PARIS TO FOREGO COMMISSION ON EMBASSY CHECKS
CLEARED THROUGH THE SDB. DIRGEN OF SDB HAS AGREED TO WAIVE
COMMISSION IF BIAO DOES LIKEL WISE.

B. HAVE SDB DESIGNATED AS OFFICIAL DEPOSITORY FOR USG FUNDS
AND HAVE CHECKS DRAWN ON THAT BANK BY RFC PARIS PER 4 FAM
351.2-2.

C. PAY THE COMMISSION WITH CONSEQUENT LOSSES TO EMBASSY'S
S&E BUDGET. THIS ALTERNATIVE WOULD ALSO REQUIRE CHANGES IN
SYSTEM OF PAYING FSLs IN ORDER TO AVOID REDUCTION IN THEIR
INCOME.

5. ACTION RECOMMENDED: SINCE SOLUTION 4 (A) ABOVE IS THE
LEAST COSTLY TO THE US GOVT, WE RECOMMEND THAT RFC PARIS SEEK
PERSUADE BIAO TO WAIVE COMMISSION IT CHARGES SDB WITH RE-
SPECT TO USG CHECKS. IF BIAO IS AGREEABLE, PLEASE REQUEST
THAT BANK TO SO INFORM THE DIRGEN OF SDB IN DAHOMEY.

6. SHOULD SOLUTION 4 A PROVE UNATTAINABLE AND DEPT AND REFC
CONCUR IN SOLUTION 4 B, WE RECOMMENT THAT A FORMAL REQUEST
BE MADE TO DESIGNATE SDB AS OFFICIAL DEPOSITORY OF USG
FUNDS. IN THE EVENT THIS COURSE OF ACTION IS TAKEN, EMBASSY
WOULD APPRECITE DEPT'S CLARIFICATION OF ABOVE-CITED 4 FAM,
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WHICH DOES NOT SPECIFY WHO SHOULD INITIATE THE REQUEST (IN
THIS CASE, RFBO LAGOS, RFC OR THIS EMBASSY).
ENGLE

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To: STATE LAGOS
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